

**VICTOR VALLEY
WASTEWATER RECLAMATION AUTHORITY**



RFP 26-04-12

**DIGESTER PROCESS IMPROVEMENT,
BIOGAS OPTIMIZATION AND ENERGY PRODUCTION
AT
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
REGIONAL WATER RECLAMATION FACILITY**

DATE: APRIL 26, 2012

VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
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1 INTRODUCTION

Pursuant to California Government Code section 4217.10 *et seq.*, Victor Valley Wastewater Reclamation Authority (“VWVRA”) hereby seeks proposals from qualified firms (“Proposers”) to optimize energy production from existing digesters at the Victor Valley Regional Wastewater Reclamation Facility (“Facility”). The successful Proposer (“Contractor”) will be required to finance the improvements and enter into a long term Power Purchase Agreement (“PPA”) and Site Lease Agreement (“Lease”) with VWVRA. VWVRA may also consider alternate contracting structures in addition to the PPA/Lease model as may be proposed. As a threshold contracting matter, pursuant to Section 4217.12 of the Government Code, Proposers must be able to demonstrate to VWVRA that the proposed contract structure generates energy cost savings over the proposed contract term. Contractor will also need to enter into feedstock supply agreements and other energy sale agreements with external entities as necessary.

The initial proposed project scope (“Project”) is set forth in more detail in Section 2 below and includes, but is not limited to, digester retrofits and improvements for maximizing biogas production, external feedstock sourcing from qualified entities, co-digestion of external feedstock and sewage sludge, electrical power generation for VWVRA use or export to the grid.

VWVRA’s overall objective is to reduce its energy footprint with ratepayer benefits at minimal financial and operational risk to VWVRA. The purpose of this Request for Proposals (“RFP”) is to identify a high quality and experienced Contractor with expertise in financing, design-build execution, and operation of co-digestion system, power generation from biogas, anaerobic digestion, and wastewater treatment processes. Contractor shall clearly define in the proposal its Project approach, including the scope of work, supply, and proposed contract structure. VWVRA is open to consider Contractor recommendations and deviations from the approach described in this RFP.

VWVRA’s goal is to evaluate proposals, select a qualified Proposer to begin negotiations and bring a recommendation of award for approval by the VWVRA Board within ninety (90) days from the issue date of this RFP in accordance with the schedule set forth herein.

2 BACKGROUND INFORMATION AND SCOPE OF WORK

VWVRA was originally formed by the Mojave Water Agency to help meet the requirements of the federal Clean Water Act and provide wastewater treatment for the growing high desert area. The original treatment plant, with supporting pipelines and infrastructure, began operating in 1981, providing tertiary level treatment for up to 4.5 million gallons per day (“MGD”). VWVRA is a regional wastewater collection, treatment, and reclamation agency with a service area encompassing approximately 211 square miles and treating 14 MGD of wastewater. VWVRA is a four-member joint power authority comprised of the City of Victorville, City of Hesperia, the Town of Apple Valley, and the County of San Bernardino Service Areas 42 (Oro Grande) and 64 (Spring Valley Lake). Incorporated into the service area of the City of Victorville is the Southern California Logistics Airport, formerly known as George Air Force Base.

VWVRA was issued a revised National Pollutant Discharge Elimination System (“NPDES”) permit in February 2008. As a result of increased regulatory requirements, certain Facility improvements (“Phase 3A Project”) are underway, such as tertiary filter improvements and replacement of chlorine disinfection with an ultraviolet disinfection system to reduce trihalomethanes in the effluent. Other recent improvements at the Facility include the installation of a high efficiency Pillar turbo blower to aerate approximately one third of the activated sludge basins. Once the upgrades are concluded, the Facility will be capable of treating the entire flow to a tertiary level and, if required, a portion of the flow can be directed to percolation. A majority of the treated wastewater is discharged into the Mojave River and a

smaller amount is currently used for landscape irrigation at the Facility and the nearby Westwinds Golf Course. VVWRA is also in discussions with the California Regional Water Quality Control Board, Lahontan Region, regarding potential requirements for de-nitrification and removal of other constituents from the treatment stream which may potentially affect the type of waste that is suitable for generation purposes. A Mitigated Negative Declaration was approved for the Phase 3A Project on November 20, 2008, which Declaration contemplated the addition of the Project. VVWRA will make a determination based on the proposed design and technical specifications for the Project which are proposed by Contractor whether it is necessary to conduct a supplemental analysis of environmental impacts as a result of the Project. If it is determined that additional mitigation is necessary as a result of the Project, the cost and responsibility for implementation of such mitigation shall be the responsibility of the Contractor.

VVWRA generates approximately 200 standard cubic feet per minute ("SCFM") of biogas from the anaerobic digestion of the sewage sludge. This is accomplished in two 1.2 million gallons ("MG") digesters (Digesters #4 and #5). There are three other 0.3 MG digesters (Digesters #1, 2 and 3), two with floating steel covers and one with fixed concrete cover. These digesters are currently not in use. Part of the biogas is currently used for running an engine-driven multistage centrifugal air blower that supplies air to aeration basins 1-8. This use of digester gas is not only inefficient but also requires the addition of natural gas in order to operate the engines due to the high hydrogen sulfide content of the biogas. The Phase 3A project currently under construction includes the installation of a gas scrubbing system, which is intended to eliminate the use of natural gas. Also, the project includes the ability to add ferric chloride to the primary sludge as it is pumped to the anaerobic digesters. The recently installed electric Pillar turbo blower is used to supply air to aeration basins 9-12. As part of this RFP scope, VVWRA requires the installation of a similar, if not the same, matching, high efficiency blower to replace the engine-driven centrifugal blower for aeration of aeration basins 1-8 for the purpose of freeing-up additional biogas for power generation.

The three unused smaller digesters (Digesters #1, 2 and 3) are available for improvements and retrofits by Contractor with the objective of bringing external high strength waste streams for additional energy production, consistent with the overall vision of the plant to reduce energy footprint and to become self-sufficient in energy use. At the onset of the proposed Project the estimated baseload power demand at the facility will be 1.2 megaWatts ("mW"), and the average approximately 1.4 mW. The low ratio of average to base load power demand is the result of primary effluent equalization at the plant. The power demand above is expected when the construction of the Phase 3A Project is completed, the new gas treatment system is in operation, and the proposed 400 HP new electric blower for aeration basins 1 through 8 is installed.

Contractor shall finance, execute and operate the proposed digester gas to energy improvements using available and new infrastructure. The improvements may be phased and shall include, but are not limited to, the following Project elements:

- Digester #1, #2, and #3 improvements to enable co-digestion. Improvements may include any or all digesters. Improvements may include but are not limited to mixing, heating, and external substrate feeding.
- All digesters shall have fixed covers.
- Sourcing, receiving and storage of grease and/or preprocessed food waste or other source separated organics.

- Upgrades to the gas handling system for Digesters #1, #2 and #3 as required to meet the increased gas generation resulting from the external feedstock. Possible upgrades may include, but are not limited to, gas pressure boosting, gas piping, sediment traps, flare, and flow metering.
- Biogas conversion into renewable electricity using gas engine generators, fuel cells, or micro turbines. If excess biogas is available beyond that required to meet the plant power demand, additional power could be net-metered into the Southern California Edison grid, subject to the terms and conditions of California Public Utilities Code section 2827. Alternatively, excess biogas could be upgraded to biomethane for pipeline injection, if this is cost effective.
- Waste heat from the CHP must be recovered and transferred to all the digesters to maintain optimum mesophilic operating temperature all year round. The heat recovery hot water loop shall be connected to the existing Digesters #4 and #5 sludge-water heat exchanger system and the existing or new sludge-liquid heat exchangers for Digesters #1, #2 and #3 as required. The Project does not contemplate the addition of hot water boilers, which are not available at the Facility. Therefore, the reliable availability of waste heat from CHP is critical to the success of the Project.
- Installation of a high efficiency aeration turbo blower to supply air to aeration basins 1 – 8. The blower capacity is estimated at 400 HP and shall be installed in the Old Blower Building that currently houses gas-engine driven multistage centrifugal blowers. The blower shall connect to existing air manifolds in the building. The installation includes mechanical, electrical and controls. The requirement of a harmonics filter for the variable frequency drive (“VFD”) associated with this blower should be considered if required for the optimal operation of the blower. Additionally the installation shall include a dissolved oxygen feedback signal to enable automatic blower turn up or down to match oxygen demand. The high efficiency blower and associated electrical and control components will not be operated by Contractor. This system that is essential for the performance of the wastewater treatment process will be managed and operated by VVWRA staff.
- Replacement of the existing sock type diffusers with membrane diffusers to improve blower efficiency and reduce electrical consumption will also be evaluated for return on investment.

Other general requirements and operation and maintenance activities related to the proposed Project include, but are not limited to, the following:

- Contractor shall indicate clearly the amount, type and composition of the substrate that will be brought into VVWRA plant for co-digestion. VVWRA has stringent ammonia and total nitrogen discharge limits. Any significant increase in the nitrogen loading to the plant as a result of external feedstock used for co-digestion could have significant impact on the ability of VVWRA plant to meet its discharge requirements. Contractor shall, therefore, clear with a selected VVWRA process consultant whether the secondary treatment process has the ability to handle any additional nitrogen load introduced into the treatment system in compliance with VVWRA’s 2008 NPDES permit. VVWRA contemplates that there may be modifications of its 2008 NPDES permit while the Project is under development and any final Project that is approved by VVWRA will be required to meet the discharge requirements contained in any modifications to the permit.
- Contractor shall have access to reclaimed water produced at the site and be responsible for all costs associated with the installation of reclaimed water infrastructure for the project. VVWRA may consider a structure under which VVWRA shall maintain, subject to its reimbursement of its costs by Contractor, the reclaimed water infrastructure.

- VVWRA is currently installing an ESC Corporation digester gas treatment system with capacity to handle 400 SCFM of gas compressed to 30 psi. The system removes hydrogen sulfide, moisture, particulates, siloxanes and organic sulfur compounds. This system will be made available to Contractor to treat all the gas produced at the plant for use in the co-generation equipment. Contractor shall operate and maintain the gas treatment system and the overall gas trains at the Facility (gas trains for Digesters #4 and #5 and for Digesters #1, #2, #3). The gas treatment system requires replacement of iron sponge and activated carbon media. The cost of media replacement as well as any other maintenance items shall be borne by Contractor.
- Contractor shall be solely responsible for the supply of external feedstock for co-digestion and shall operate the receiving station and storage facility, as well as operate the co-digestion digesters
- Contractor shall operate either gas engine generators, fuel cell or micro turbines and the heat recovery systems to deliver thermal energy as hot water to existing or new heat exchangers for the digesters in use. Heat exchangers for digesters #4 and #5 are adequate and in good working order. Contractor shall evaluate if the heat exchangers for Digesters #1, #2, and #3 are appropriate and will be adequate for the operation of the co-digestion digesters.
- As noted above, the operation of the aeration blower and associated electrical and controls shall be the responsibility of VVWRA and not of Contractor.
- If post-combustion gas treatment either for the engines or micro turbines is required to meet NOx and other pollutant limits imposed by the Mojave Desert Air Quality Management District, then Contractor shall include Selective Catalytic Reduction ("SCR") systems as part of the combined heat and power ("CHP") and operate these systems.
- Contractor shall pay for, obtain and administer the Mojave Desert Air Quality Management District air emissions permit related to the power generation units. Contractor will become the permittee, as he/she is the owner of the co-generation system.
- Contractor shall cover all costs associated with interconnection to the grid, if required, to net-meter excess power produced at the Facility.
- In the case of upgrading digester gas to biomethane for pipeline injection if excess gas is available and this is cost effective, Contractor shall build, own, operate and maintain the gas upgrading system. Contractor shall cover all cost associated with gas interconnection, transmission and sales. Contractor shall be responsible for permits and the pipeline connection cost and any gas sale agreements.
- Subsidies and grants may be available for this Project, such as Self Generation Incentives, Investment Tax Credits and possibly other State and Federal grants. Contractor is responsible for the preparation of all applications and submittals to obtain such incentives or grants. VVWRA staff will support Contractor with information as reasonably required. Contractor shall be responsible for complying with all terms, conditions and requirements of any such grants, subsidies and credits and Contractor shall obtain the prior consent of VVWRA to any grant, subsidy or credit which imposes any burden or restriction on VVWRA or the Project in connection with the acceptance of funding.
- VVWRA shall be responsible for compliance with the California Environmental Quality Act and shall be the lead agency for this project.
- VVWRA will consider entering into a contract with the successful Proposer under which VVWRA staff, at the appropriate Operator Grade I salary schedule (to be provided by VVWRA, if selected

as an option by VVWRA) shall be retained by Contractor to handle materials and otherwise assume certain obligations under the proposed agreement with VVWRA if such a structure would result in a reduced per kWh price of electricity for VVWRA.

- Contractor agrees that prior to the approval of the proposed contract by the VVWRA Board; the proposed contract shall be subject to an independent third-party review and verification conducted by Southern California Edison.

In the event that there are differences in the information contained in the background material and the material in this RFP document, the provisions of this RFP document control. Proposers shall be solely responsible for verifying the accuracy of background information provided by VVWRA and the representations set forth in this RFP.

VVWRA has been approached by a third party which acquired a new 1.4 MW rated commercial grade fuel cell power plant capable of providing high quality base load electric power using natural gas or anaerobic digester gas as a fuel. This plant can be available for delivery on an expedited time frame and comes with a pre-negotiation long term service commitment. If a Proposer is interested in pursuing this equipment as part of its proposal, please contact VVWRA for further information.

3 MINIMUM QUALIFICATIONS

Proposers who do not meet the following criteria may be deemed non-responsive, in the sole discretion of VVWRA. VVWRA may waive any inconsistencies and/or errors in any of the responses received to this RFP, in its sole discretion.

3.1 PROPOSER EXPERIENCE

- 3.1.1 Proposer may be a single entity or a legally formed joint venture between two or more firms that demonstrate the range of experience required within this section of the RFP. Due to the long term nature of the Contract, a simple teaming agreement between the Proposer and other firms does not demonstrate the required experience to enter into a Contract with VVWRA.
- 3.1.2 Proposer must demonstrate significant experience in anaerobic digestion process, wastewater treatment process and biogas handling and utilization. Proposer should have built at least 3 cogeneration plants utilizing variety of substrates, within the last five (5) years.
- 3.1.3 Proposer must have experience with PPA-financed improvements at a wastewater treatment plant in California, and Rule 21 interconnection. Within the past five (5) years prior to the issue date of this RFP, Proposer, must have directly entered into a PPA for a municipal wastewater treatment plant in California.
- 3.1.4 Proposer must demonstrate ability to source feedstock for co-digestion. A letter of intent from a credit worthy waste hauler to supply required feedstock is required.

3.2 CERTIFICATIONS

Proposers shall complete and submit with their proposals those certifications set forth as Attachment 1.

3.3 FINANCIAL QUALIFICATIONS

- 3.3.1 Proposer must be financially strong and stable. Contractor must show proof of at least 50% available equity in form of cash.
- 3.3.2 Alternatively the Proposer shall show an unconditional letter of credit from an A+ rated financial institution for the proposed capital improvements.
- 3.3.3 Provide written correspondence from a California-admitted surety company evidencing ability to provide performance bond in an amount equal to 100% of Project cost.

4 **PROCUREMENT TIMELINE**

EVENT	DATE
RFP Released	26 APRIL 2012
Mandatory site visit <u>Address:</u> 20111 Shay Road Victorville, CA 92394	WEDNESDAY 9 MAY 2012 AT 1:30 PM
Deadline for submitting questions	18 MAY 2012 4:00 PM
VVWRA responds to Proposer's questions	25 MAY 2012 4:00 PM
Proposal Submission Date – <u>Address:</u> 15776 Main Street Suite 3 Hesperia, CA 92345 Note: Late proposals will not be accepted	1 June 2012 11:00 AM PST
Oral Presentations (if required)	13 JUNE 2012
Notice of Award	22 JUNE 2012
Protest Deadline	29 JUNE 2012 3:00 PM
Award	20 JULY 2012

5 **CONTACT INFORMATION**

5.1 **INTERESTED PROPOSERS' LIST**

Firms that are interested in receiving updates/addenda relating to this RFP must contact the person designated in Section 5.2 below and request that they be placed on the "Proposer's List." VVWRA will only issue updates/ addenda to those firms on the "Proposer's List" via email or facsimile. The Proposer's List will not be confidential and will be subject to disclosure pursuant to the California Public Records Act.

5.2 **INFORMATION**

For general information pertaining to this RFP, Proposer shall contact:

VVWRA

15776 Main Street, Suite 3
Hesperia, CA 92345
Attn: Logan Olds, General Manager
Email: lolds@vvwra.com

*Correspondence by email is preferred

5.3 VVWRA REPRESENTATIVE / CONTRACT ADMINISTRATOR

The Contract Administrator for this RFP and the resulting Contract is Logan Olds, General Manager. The Contract Administrator is the only individual authorized on the behalf of VVWRA to make any modifications via addenda or otherwise to this RFP and the resulting Contract, if any. The Proposer shall not rely upon any oral change from anyone, or a written request for change from someone other than the Contract Administrator. All changes/addenda must be in writing, signed by the Contract Administrator. Any and all addenda issued by the Contract Administrator shall be incorporated into this RFP and a part herein as if originally set forth in this RFP.

6 MANDATORY SITE VISIT

VVWRA will convene a pre-proposal meeting at ___AM on May __, 2012 at the Facility located at 20111 Shay Road, Victorville, California 92394 to provide an overview of the Project and respond to any questions regarding the Project. A tour of the Facility will be included as part of the meeting. Attendance at the pre-proposal meeting is mandatory. VVWRA Staff reserves the right not to answer any questions that are non-applicable or inappropriate. At its discretion, Staff may defer certain questions and respond to all attendees in writing after the meeting in form of an addendum. Verbal; VVWRA staff responses shall not be binding on VVWRA and shall not be deemed to modify this RFP or the information contained herein.

7 PROCEDURE FOR SUBMITTING QUESTIONS

Questions pertaining to this RFP must be submitted in writing to the Contract Administrator listed above to the address specified in Section 5.2. Please submit all questions by the deadline indicated in the Procurement Timeline. VVWRA will provide a written response to all pertinent questions in the form of an Addendum.

8 PROTESTS

8.1 PROCEDURES

A Proposer may protest a contract award if the Proposer believes that the award was inconsistent with VVWRA policy or this RFP or was not in compliance with law. A protest must be filed in writing with the Contract Administrator within five (5) working days after receipt of notification of the Contract award. The Proposer shall submit all documents supporting or justifying the protest. A Proposer's failure to timely file a protest shall constitute a waiver of his/her right to protest the award of the Contract. Any Proposer submitting a Proposal may file a protest of VVWRA's intent to award the Contract provided that each and all of the following conditions are met:

- 8.1.1 The protest must be submitted in writing to VVWRA (e-mail is not acceptable), before 4 p.m. of the fifth business day following notification of the proposed contract award.
- 8.1.2 The initial protest document must contain a complete statement of any and all basis for the protest, including without limitation all facts, supporting documentation, legal authorities and argument in support of the grounds for the bid protest; any matters not set forth in the written bid protest shall be deemed waived. All factual contentions must be supported by competent, admissible and creditable evidence.

- 8.1.3 The protest must refer to the specific portions of all documents which form the basis for the protest.
- 8.1.4 The protest must include the name, address and telephone number of the person representing the protesting party.

8.2 PROTEST CONTENTS

Any bid protest not conforming to the foregoing shall be rejected by VVWRA as invalid. Provided that a bid protest is filed in strict conformity with the foregoing, the Contract Administrator shall review and evaluate the basis of the bid protest. The Contract Administrator shall provide the bidder submitting the bid protest with a written statement concurring with or denying the bid protest. The VVWRA Board will render a final determination and disposition of a bid protest by taking action to adopt, modify or reject the disposition of a contract award as reflected in the written statement of the Contract Administrator. Action by the VVWRA Board relative to a contract award shall be final and not subject to appeal or reconsideration by VVWRA, any employee or officer of VVWRA or the VVWRA Board. The rendition of a written statement by the Contract Administrator and action by the VVWRA Board to adopt, modify or reject the disposition of the contract award reflected in such written statement shall be express conditions precedent to the institution of any legal or equitable proceedings relative to the bidding process, VVWRA's intent to award the Contract, VVWRA's disposition of any bid protest or VVWRA's decision to reject all Proposals. The procedure and time limits set forth in this paragraph are mandatory and are the Proposer's sole and exclusive remedy in the event of bid protest. Failure to comply with these procedures shall constitute a waiver of any right to further pursue the bid protest, including filing a Government Code claim or legal proceedings.

9 SUBMISSION OF PROPOSAL – GENERAL INSTRUCTIONS

9.1 PROPOSAL FORMAT

- 9.1.1 Submit one (1) original and three (3) copies of the technical Proposal clearly marked as such to the location set forth in Section 5.2. The outside of the box or package and the cover or title page of each proposal shall be marked as follows: "RFP XX-XX-XX, Digester Process Improvement, Biogas Optimization and Energy Production at VVWRA Regional Wastewater Reclamation Facility." In addition, include an electronic copy of the Proposal on a CD or DVD, in PDF format. Proposers shall refer to the procurement timeline in Sections 4 and 5 for due dates and delivery locations. All Proposals shall be submitted as hard copy bound documents. The original hard copy version of the Proposal will be considered the official proposal submission. Hard copy RFP documents are to be printed on paper that contains a minimum of 30% PCW, Chlorine Free. 100% PCW, Chlorine Free is preferred. All pages shall be sequentially numbered and a table of contents shall be provided. The font size on each page shall be 11 point Times New Roman or Arial font. The pages shall be double sided with a maximum of one and one half line spacing. Specifically, the Proposal shall consist of the following:

- a) Introduction/Cover Letter, signed by individual with authority to bind firm
- b) Proposed Project Team: Name(s) of assigned project managers, contractors, consultants, subcontractors and representatives (*See Section 10.5*)
- c) Qualifications and Experience of Proposed Project Team: Clearly define what responsibilities these individuals will be charged with relative to this

Contract. Provide a project organizational chart, if appropriate (See Sections 10.4 and 10.6)

- d) Base Bid Proposed Scope (See Section 10.2)
- e) Alternate Strategies for Base Bid Scope
- f) Add Alternates Proposed
- g) Economic Performance Evaluation (Pricing) (See Section 10.8)
 - i. Base Bid
 - ii. Base Bid Alternate Strategies (if any)
 - iii. Add Alternates (if any)
- h) Project Plan and Schedule (See Section 10.7)
- i) References
- j) Exceptions to RFP, if any

9.2 RESPONSE DOCUMENTS / SUBMISSION REQUIREMENTS

In order to expedite the evaluation process, each Proposal shall be organized in accordance with this Section. Proposals that do not follow the specified format outlined above, or fail to provide the required documentation under Section 10, may receive lower scores, or if found to be non-responsive, be disqualified.

9.3 LATE PROPOSALS

Late proposals shall be rejected and returned to Proposer. This deadline is absolute and proposals received after the due date and time shall not be considered. Proposers must select a method of delivery that ensures proposals will be delivered to the correct location by the due date and time.

10 PROPOSAL CONTENT

10.1 MINIMUM QUALIFICATION VERIFICATION

Contractor must provide proof of meeting minimum qualifications on experience and financial strength as outlined in Section 3. Failure to provide the requested information or purposely withholding pertinent information may disqualify the Proposer. Any false or knowingly inaccurate information or responses provided may also serve to disqualify the Proposer.

10.2 TECHNICAL PROPOSAL

10.2.1 Proposed Digester Improvements

Provide a response addressing the elements of the Scope of Services set forth in Section 2 as well as the conceptual level design for proposed digester modifications and improvements. Proposals shall include timing and phases of proposed improvements, energy and mass balance calculations, and a process flow diagram and general installation layout.

10.2.2 High level proposed cogeneration system description and design.

10.3 FINANCIAL / BUSINESS STRENGTH OF THE PROPOSER

Each Proposer shall list his/her business capabilities pertaining to financial strength as follows:

- 10.3.1 Describe your financing plan for this Project and the financing partners you will work with.
- 10.3.2 Indicate whether their financial model has been vetted through a tax advisor and signed off by the tax equity partner.
- 10.3.3 Indicate whether a term sheet has been created.
- 10.3.4 Indicate whether they have a comfort letter or alike from a creditable investor that the funds are available.
- 10.3.5 Indicate whether this Project is a stand-alone transaction or will it be aggregated with a batch of projects in, for instance, a tranche.
- 10.3.6 Indicate whether design and permitting can occur before obtaining a funded PPA (or other contract structure if applicable).
- 10.3.7 Proposer shall provide evidence that it is a creditworthy company registered to conduct business in California and is in good standing.
- 10.3.8 Otherwise demonstrate your financial commitment, guarantees and resources you have to fund this project immediately after the Board approval.

10.4 TECHNICAL TEAM AND CONTRACTS NEGOTIATION TEAM

Provide the names, titles, and roles of your team that will negotiate a final agreement with VVWRA.

10.5 PROJECT TEAM

Provide the staffing plan and qualifications of key team members who will be assigned to the project. This listing should detail each individual's specific experience on projects of this type. Provide the names of key subcontractors and suppliers that you would use on this project. Following proposal submittal, any changes to the project team, including but not limited to, the waste hauler, must be approved by VVWRA. Any proposed assignment of contracts or other modification to the project team shall be invalid without the express written consent of VVWRA. Any proposed assignees shall expressly agree to be bound by any and all terms and conditions of this proposal and any contract executed with VVWRA, including waste hauling obligations.

10.6 CONTRACTOR CAPABILITIES

Substantiate how your firm can most effectively undertake the responsibilities associated with this Project by clearly identifying the lines of authority, coordination, and limits of capabilities for each member of the team. Identify essential management functions and how these functions are effectively integrated during each phase of the project. Delineate the role of Suppliers and Sub-Contractors. Organizational charts and graphs may be included.

10.7 PROJECT PLAN AND SCHEDULE

Provide a detailed project plan and schedule showing the critical milestones your team will manage to complete system installation, commissioning acceptance testing, and final punch list closeout.

10.8 PRICING PROPOSAL

Include a pricing proposal considering the project will be financed by the Contractor and only revenue streams that are available to the Contractor are payments from VVWRA for energy purchased, tipping fees negotiated with waste haulers (if any), sale of excess energy to external entities, and environmental financial attributes. Contractor may be able to further reduce the capital cost through Self Generation Incentive Program, Investment Tax Credits, and other possible State or Federal grants. Applications for these and monetization, and inclusion of these incentives in the pricing are the responsibility of the Contractor.

Proposers shall state, with their pricing proposal, their project pricing assumptions that can significantly alter estimated energy and cost savings, but do not reflect the quality or cost-effectiveness of a distributed generation product, such as, but not limited to, current utility rate, utility rate escalation for electricity and natural gas, inflation rate for O&M costs and the discount rate.

VVWRA may be interested in making an upfront payment for electricity (pre-purchase) as a means to reduce the ongoing payments for power over the duration of the Contract. Contractor shall include in the proposal power rates per kWh for three scenarios: 1) VVWRA does not make any upfront purchase; 2) VVWRA makes a \$1 million upfront purchase; and 3) VVWRA makes a \$2 million upfront purchase.

The Contractor shall provide pricing for a 10, 15 and 20 year power supply agreement term and include Year 1 pricing and yearly escalation. The Contractor shall also include the option for VVWRA to purchase the Project after 10 years and indicate the basis for pricing the Project at that point.

To ensure that proposals are evaluated across consistent metrics, Proposers are required to provide the following measures of economic performance. The cost effectiveness of distributed generation technologies should be evaluated using simple payback, but a savings to investment ratio and cash flow analysis must also be provided for each technology. The savings-to-investment ratio is the ratio of the present value of energy savings to the present value of costs over the expected useful life (EUL) of the energy improvement.

Cash flows associated with distributed generation should be grouped into these categories. The following economic performance metrics must be provided as applicable based on the technologies being proposed by the Proposer.

The following economic performance metrics must be provided for each category of energy improvement (as specified above) and for the total package of energy improvements:

- Year 1 Bill Savings for Electricity and Natural Gas
- Net Present Value of Investment - present value of net nominal cash flows associated with the energy improvement(s)
- Savings to Investment Ratio - the ratio of the present value of energy savings to the present value of costs over the expected useful life (EUL) of the energy improvement(s)
- Discounted Payback - year at which project breaks even based on discounted cash flows

Proposers' pro forma analysis should capture the cash flows associated with an energy improvement over the expected useful life (EUL) of that improvement. Proposer should be careful to account for avoided energy costs generated by a given energy improvement only for the EUL of that improvement. EULs should be based on reasonable industry standards and to the degree possible, and should be tailored for this Proposal based on operating hours. Cash flows can be aggregated on an annual basis. Energy savings should be assumed to be realized at the end of the year.

10.9 OTHER

Proposers may include other pertinent/additional information at a maximum of ten pages, double sided with minimum font size of 11. Please note that VVWRA does not welcome large volumes of generic boilerplate information about Proposer's firm, and may lower scores of the proposer for submitting irrelevant and boilerplate during proposal evaluations.

11 VVWRA'S RESERVATION OF RIGHTS

The Victor Valley Wastewater Reclamation Authority reserves the right to reject any or all proposals and to waive any and all irregularities to choose the firm and may amend scope of this RFP at any time, which in its opinion, best serves its interests. VVWRA expects to complete its evaluation process to select a qualified proposer, but reserves the right to change key dates and action as the need arises. VVWRA intends to award the Project to one Proposer, however, VVWRA retains the right to award one or more separate Contracts to one or more Proposers, in VVWRA's sole discretion. The proposals in response to this RFP will become the property of VVWRA and may be used by VVWRA in any way it deems appropriate. VVWRA reserves the unqualified right to modify and/or suspend any and all aspects of the RFP, to request further information from any firm or person responding to the RFP, to waive any defect as to form or content of this RFP or any response thereto, to extend deadlines for accepting responses or accept amendments to responses after expiration of deadlines and to reject any and all responses to the RFP.

No individual or firm responding to this RFP shall obtain any claim or right of action against VVWRA by reason of any aspect of the RFP, defects or abnormalities contained herein, defects or abnormalities in the selection process, the rejection of any proposal, the acceptance of any proposal, any statements, representation, acts or omissions of VVWRA, the exercise of any discretion by VVWRA in connection with any of the foregoing, or any and all other matters arising out of all or any of the foregoing.

VVWRA reserves the right to require that any proposal for the Project comply with any changes in the regulatory permits and legal requirements applicable to or governing the operations of VVWRA following the date of this RFP, as well as any additional mitigation requirements that may be required as a result of any supplemental environmental review of the Project.

VVWRA makes no representation that any contract will be awarded in response to this Request for Proposal. VVWRA will not be liable for any costs incurred by the Proposer incidental to the preparation and presentation of qualifications either orally or in the proposal. Any costs incurred in the preparation of the proposal, in the submission of additional information, and/or in any other aspect of the proposal prior to the award of a written agreement will be borne by the Proposer.

Proposals shall be valid for a period of two (2) months from the submittal due date of the proposal.

VVWRA shall not be obligated to respond to any proposal submitted, nor be legally bound in any manner by submission of the proposal.

VVWRA is not required to accept the lowest price proposal. Qualifications will be evaluated to determine the most advantageous proposal based on a variety of factors including but not limited to experience, financial strength, technical capability, implementation costs, design quality, features, and performance.

VVWRA may require financial statements for the last two fiscal years as certified by an independent Certified Public Accountant. Do not submit these documents unless they are requested.

12 GENERAL PROVISIONS

12.1 NON-DISCRIMINATION

VVWRA does not discriminate on the basis of race, color, national origin, religion, age, ancestry, medical condition, disability or gender in consideration for an award of contract. The successful Proposer agrees that there shall be no discrimination against, or segregation of, any person, on account of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, national origin, marital status, or family status, in connection with or related to the performance of VVWRA contracts.

12.2 TOBACCO AND DRUG FREE WORKPLACE POLICY

VVWRA and all VVWRA projects are “tobacco” and “drug free” workplaces and, as such, require that all the consultants be subject to the requirements mandated by California Government Code section 8350, et seq. when on VVWRA property.

12.3 EXCEPTIONS TO THIS RFP

The Proposer shall certify that the Proposer takes no exceptions to this RFP, or, if exceptions are taken, clearly indicate in the Proposal those exceptions taken. Unless otherwise indicated in its Proposal, Proposer shall be deemed to have accepted all such terms and conditions as may be specified in this RFP, the attachments and any and all addenda related thereto.

12.4 ADDITIONAL SERVICES

VVWRA may elect, at any time, to amend any contract awarded hereunder to require the selected firm to provide additional services. In this case, the selected firm and VVWRA will agree mutually on the scope and fees associated with any additional services.

12.5 PREVAILING WAGES

Contractor, in accordance with Senate Bill 136 (which became effective January 1, 2012) shall be required to pay prevailing wages for all work performed under the PPA or other Project Contract and comply with other applicable Labor Code provisions.

The Director of Industrial Relations has determined the general prevailing rate of per diem wages in the locality in which this work is to be performed for each craft or type of worker needed to execute the Contract which will be awarded to Contractor, copies of which are on file and will be made available to any interested party upon request online at <http://www.dir.ca.gov/dlsr>. A copy of these rates shall be posted by Contractor at the job site. Contractor and all subcontractor(s) under it, shall comply with all applicable Labor Code provisions, which include, but are not limited to the payment of not less than the required prevailing rates to all workers employed by them in the execution of the Contract and the employment of apprentices.

12.6 OTHER REQUIREMENTS

Contractor shall comply with all applicable requirements of any source of State or Federal grant funding for the work, including but not limited to requirements relating to solicitation of or subcontracting with Disadvantaged Business Enterprises, Minority Business Enterprises, Women's Business Enterprises and/or Disabled Veteran Business Enterprises.

13 REVIEW PROCESS AND EVALUATION CRITERIA

13.1 PROPOSAL RESPONSIVENESS

Minimum Qualifications - Proposals will be reviewed to determine if the minimum qualifications as described in Section 3 of this RFP are met. Proposals not meeting minimum qualifications will be disqualified from further consideration.

Required Documentation - Proposals meeting minimum qualifications will be reviewed to determine if all required documentation was included with the proposal as described in Section 14.

VVWRA may seek written clarification from any or all Proposers in order to better understand and evaluate the proposed solution. This process may not be used as an opportunity to submit missing documentation or to make substantive revisions to the original proposal.

13.2 EVALUATION CRITERIA

Proposal evaluation - Proposals will be reviewed to determine if the minimum qualifications as described in Section 3 of this RFP are met. Proposals not meeting minimum qualifications will be disqualified from further consideration.

Each respondent to this RFP should demonstrate that it satisfies the minimum requirements described in this RFP in order to be selected as an eligible Proposer. VVWRA will evaluate the proposals utilizing the following factors, which Alpine USD shall weigh in its sole discretion:

13.3 EVALUATION CRITERIA

13.3.1 *Responsiveness to the Request for Proposal*

- a) Requested information included and thoroughness of response.
- b) Understanding of the project.
- c) Creativity of proposed project approach.
- d) Clarity and brevity of the response.
- e) Proposed project schedule.

13.3.2 *Responses to Base Bid Scope of Services*

- a) Requested information included and thoroughness of response.
- b) Highest Energy/Utility bill reduction.
- c) Project can be completed in time allotted.

13.3.3 *Responses beyond Base Bid Scope of Services*

- a) Highest Energy/Utility Bill reduction.
- b) Attention to detail/efficiency/cost with any relevant upcharge analysis.
- c) Project can be completed in time allotted.

13.3.4 ***Qualifications and Experience***

- a) Meet minimum qualifications set forth in Section 3.
- b) Key personnel have experience with projects of similar size and scope.
- c) Project team's experience covers all relevant areas.
- d) Project team show to have extensive project management experience.

13.3.5 ***Pricing and Financial Calculations***

- a) Detailed pricing assumptions, such as utility rate escalators and discount rate.
- b) Full financial summary including internal rate of return and net present value.
- c) References for financing partners as applicable.
- d) Detailed descriptions of how incentives, rebates and tax credits will be obtained.
- e) Lowered recurring costs/O&M packages will be more heavily weighted than lower initial costs.

13.3.6 ***Past Performance as Indicated by References***

- a) Multiple positive references on projects of similar size, scope and schedule.
- b) Proven ability to deliver projects on time, within budget.
- c) Few change orders.

13.3.7 ***Other factors VVWRA might deem relevant following its review of the proposals***

All responsive proposals will be evaluated in accordance with the evaluation factors specified above. VVWRA will solely perform all proposal reviews and will select the winning Proposer(s); VVWRA will provide Contract administration and support immediately after the winning Proposer is selected.

13.4 **ORAL PRESENTATIONS**

Based on the scores, VVWRA may invite one or more Proposers for oral interviews for the purpose of confirming the Proposer understands VVWRA's objectives and requirements, addressing any questions or issues that VVWRA may have, and meeting key members of the proposed negotiation team.

Following final award, the selected proposer will negotiate the final terms and conditions of the Contract with VVWRA on the basis of their proposal.

13.5 **BASIS OF AWARD**

The final recommendation to VVWRA Board for award of contract will be based on the selection process set forth in this section. In the event that VVWRA cannot successfully negotiate an agreement with the selected proposer, it reserves the right to award to the next highest ranked proposer and so on until all viable options have been exhausted.

13.6 ADDENDA AND INTERPRETATION

VVWRA shall not be responsible for nor be bound by any oral instructions, interpretations or explanations issued by VVWRA or its representatives. Should discrepancies or omissions be found in this RFP or should there be a need to clarify the RFP, requests for clarification may be sent via e-mail or fax to the attention of the contact named in Section 5.2.

Proposer requests for clarification shall be deliverable as stated in Section 7. Any VVWRA response to a request for clarification will be made in the form of an addendum to this RFP. All addenda shall become part of this RFP.

13.7 PROPOSAL COST AND PROPOSER OBLIGATIONS

This RFP does not commit VVWRA to pay any costs incurred in the submission of a proposal or in making any necessary studies or designs for the preparation thereof, nor the purchase or contract for the services. VVWRA will not reimburse Proposers for the cost of proposal preparation.

After acceptance of the successful proposal by VVWRA, the successful Proposer(s) shall be obligated to enter into an agreement consistent with the proposal submitted.

13.8 EXAMINATION OF PROPOSED MATERIAL

The submission of a proposal shall be deemed a representation and certification by Proposer that they have investigated all aspects of the RFP, that they are aware of the applicable facts pertaining to the RFP process, its procedures and requirements, and that they have read and understood the RFP. No request for modification of the statement shall be considered after its submission on grounds that Proposer was not fully informed as to any fact or condition.

13.9 CODE ADHERENCE, PERMITS AND FEES

Proposer shall agree to abide by all laws, rules and regulation of the United States, State of California, San Bernardino County and VVWRA.

13.10 PUBLIC NATURE OF PROPOSAL MATERIAL

All correspondence with VVWRA including responses to this RFP will become the exclusive property of VVWRA and will become public records under the California Public Records Act (Cal. Government Code Section 6250 *et seq.*) Pursuant to *Michaelis, Montanari, & Johnson v. Superior Court* (2006) 38 Cal.4th 1065, proposals submitted in response to this RFP shall be held confidential by VVWRA and shall not be subject to disclosure under the California Public Records Act until after either VVWRA and the successful proposer have completed negotiations and a recommendation has been made for contract award or VVWRA has rejected all proposals. Furthermore, VVWRA will have no liability to the Proposer or other party as a result of any public disclosure of any proposal or contract.

After the announcement of a recommended award, all proposals received in response to this RFP will be subject to public disclosure. If a Proposer desires to exclude a portion of its proposal from disclosure under the Public Records Act, the Proposer must mark it as such and state the specific provision in the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. For example, if a Proposer submits trade secret information, the Proposer must plainly mark the information as "Trade Secret" and refer to the appropriate section of the California Public Records Act

which provides the exemption as well as the factual basis for claiming the exemption. Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, VVWRA may not be in a position to establish that the information that a Proposer submits is a trade secret. If a request is made for information marked “Confidential”, “Trade Secret” or “Proprietary”, VVWRA will provide Proposers who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction.

ATTACHMENT 1

CERTIFICATIONS

This Non-Collusion Declaration shall be executed by the Proposer and shall be submitted with its proposal.

NON-COLLUSION DECLARATION

The undersigned declares:

I am the _____ of _____, the party making the foregoing bid.
Title Firm

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, at

Date City
State

By: _____
Signature

Name: _____
Printed or Typed

Date: _____

**IRAN CONTRACTING ACT CERTIFICATION
(Public Contract Code Section 2200 *et seq.*)**

As required by California Public Contract Code Section 2204, the Proposer certifies subject to penalty for perjury that the option checked below relating to the Proposer's status in regard to the Iran Contracting Act of 2010 (Public Contract Code Section 2200 *et seq.*) is true and correct:

- ☐ The Proposer is not:
- (i) identified on the current list of persons and entities engaging in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203; or
 - (ii) a financial institution that extends, for 45 days or more, credit in the amount of \$20,000,000 or more to any other person or entity identified on the current list of persons and entities engaging in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203, if that person or entity uses or will use the credit to provide goods or services in the energy sector in Iran.
- ☐ The District has exempted the Proposer from the requirements of the Iran Contracting Act of 2010 after making a public finding that, absent the exemption, the District will be unable to obtain the goods and/or services to be provided pursuant to the Contract.
- ☐ The amount of the Contract payable to the Proposer for the project does not exceed \$1,000,000.

Signed _____

Titled _____

Firm _____

Date _____

Note: In accordance with Public Contract Code Section 2205, false certification of this form shall be reported to the California Attorney General and may result in civil penalties equal to the greater of \$250,000 or twice the Contract amount, termination of the Contract and/or ineligibility to bid on contracts for three years.

ATTACHMENT 2

VVWRA PLANT DESCRIPTION

ATTACHMENT 3

INSURANCE REQUIREMENTS

Proposer must provide an insurance certificate from a California admitted carrier with financial rating of at least A; VII as rated in the most recent edition of Best's Key Rating Guide. The certificate shall contain at a minimum the following coverages and limits:

General Liability:	\$1,000,000 Each Occurrence \$2,000,000 Aggregate
Automobile Liability:	\$1,000,000 Each Person \$1,000,000 <i>Each</i> Accident
Worker's Compensation:	Statutory
Errors and Omissions:	\$1,000,000

ATTACHMENT 4

HAZARDOUS MATERIALS

ATTACHMENT 5

DIGESTER GAS ANALYSIS

ATTACHMENT 6

ENERGY AUDIT REPORT